

**MINUTES OF THE
BOARD OF COMMUNITY HEALTH MEETING
July 12, 2007**

Members Present

Richard Holmes, Chairman
Ross Mason, Vice Chairman
Mark Oshnock, Secretary
Dr. Inman "Buddy" English
Kim Gay
Frank Jones
Dr. Ann McKee Parker
Richard Robinson

The Board of Community Health held its regularly scheduled monthly meeting in the Floyd Room, 20th Floor, West Tower, Twin Towers Building, 200 Piedmont Avenue, Atlanta, Georgia. at the Twin Towers West, 200 Piedmont Avenue, 20th Floor, Floyd Room, Atlanta Georgia. Commissioner Rhonda Medows was not present and was represented by Carie Summers, DCH Chief Financial Officer. (An Agenda and a list of Attendees are attached hereto and made official parts of these Minutes as Attachments #1 and #2).

Chairman Holmes called the meeting to order at 11:10 a.m. and asked members and guests to stand for *The Pledge of Allegiance*. He then acknowledged and thanked Representative Michele Henson for her attendance.

An interpreter for the hearing impaired was present; however, one was not needed.

Approval of Minutes

Chairman Holmes called for the approval of the June 14, 2007 Minutes. Secretary Mark Oshnock stated he reviewed the minutes and needed further clarification from the Department and moved to postpone approval until the next meeting. Chairman Holmes concurred.

In lieu of the regularly scheduled committee meetings, the Department presented a briefing on Certificate of Need (CON) and its process at 9:00 a.m.

Chairman Holmes called on Carie Summers to begin departmental updates.

Department Updates

Carie Summers, Chief Financial Officer, began review of two public notices: PeachCare for Kids and Hospital Services Payment Rates.

Ms. Summers gave a brief description of the PeachCare for Kids Program and reiterated to members that DCH discontinued enrollment in the Program on March 11, 2007. She stated that President Bush signed a Fiscal Year 2007 supplemental appropriations bill that included funding for the State Children's Health Insurance Program (SCHIP). For Georgia, that resulted in an additional \$121 million in federal funds made available for the remainder of federal fiscal year 2007. The PeachCare for Kids Public Notice, effective today (July 12, 2007), will resume enrollment in the Program pending the favorable approval of the Board. DCH, however, will maintain an enrollment limit of 295,000 children. The limit is to ensure that the shortfall funding and the redistribution of 2004 and 2005 national surplus received by Georgia supports the provision of healthcare to members through September 30, 2007. DCH as other states is waiting for Congress to reauthorize the SCHIP for an October 1, 2007 effective date. Ms. Summers stated that without the reauthorization and a change in the current funding formula, the Department would not be able to continue the Program on October 1 and forward. Ms. Summers also stated that enrollment limits would be reassessed based on the availability of funding, pending authorization or otherwise extended by Congress.

Ms. Summers informed members that the Department did have a public hearing on June 27, 2007. There was one person in attendance, who chose not to speak and there were no written comments. She then asked members of the Board for questions and subsequently their favorable consideration of the notice. Vice-Chairman Mason MADE a MOTION to approve the PeachCare for Kids Public Notice and Dr. Parker SECONDED THE MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the PeachCare for Kids Public Notice is hereto attached and made an official part of these Minutes as Attachment # 3).

In addition, Ms. Summers made members aware that there were approximately 22,000 pending applications and about 84% of those will be ready to go for enrollment pending receipt of premiums from those families. PSI, the vendor who handles eligibility for PeachCare, will notifying families that the Program is now open and will request the appropriate premium allowing them to get coverage. The remaining 16% of applications have been received by the DCH; however, there are some issues with the applications that require follow-up before they can be processed. Ms. Summers stated that

July coverage for families opting for coverage that have paid their premiums in July will begin retroactive to the first of July. DCH will be monitoring enrollment on a weekly basis to ensure that the 295,000 level is not exceeded. Currently, there are approximately 270,000 children enrolled.

Chairman Holmes commented that DCH has done a good job with managing the limited amount of resources in the PeachCare for Kids Program.

Ms. Summers proceeded to the next public notice, Hospital Services Payment Rates. She stated that the public notice is related to both inpatient and outpatient hospital services and addresses two issues:

- 1) **inpatient hospital rates-** DCH is proposing rate changes effective for admissions on and after January 1, 2008. Ms. Summers stated that the reason for the advance notice is to allow ample time for CMS approval for the prospective changes so that the Department will not have to reprocess claims under a new payment methodology beginning January 1. Ms. Summers added that the last update was in July 2002. She further stated that the inpatient reimbursement rate change is a budget neutral change. DCH is trying to update the data that is used to determine the diagnosis related group (DRG) payments for inpatient hospital services. This reimbursement methodology update has been vetted over several meetings with the DCH Hospital Advisory Committee which started on this topic last year in reaction to a legislative mandate through the FY 2007 Appropriations Act to update DRG reimbursement rates. That mandate did not provide additional dollars, so DCH was attempting to do that update to effect budget neutrality. The Hospital Advisory Committee expressed concern that the change in the reimbursement rate would result in some facilities who would gain and some facilities that would lose as compared to what they were getting paid at that time. With the coinciding of the CMO implementation last fall, the Hospital Advisory Committee asked DCH to delay inpatient DRG update until this year. The Department agreed. Ms. Summers stated the following would be updated:
 - a) DCH will be using a more current DRG grouper. As claims come in, they would be categorized which will drive what they are paid based on the base rate;
 - b) The DRG Grouper (Version 16) is the software that puts those claims in categories. This current version is about 8 or 9 years old. DCH is proposing to update to Version 24, the most current version available;
 - c) DRG relative weights and threshold amounts based on claim data from newer periods of time. Currently, claims data was based on 2001 information. DCH will use 2005;
 - d) Cost Report information that is used to calculate base rates was based on 1999 or earlier cost reports from hospitals. DCH will now be using cost report data from fiscal year 2004; and
 - e) Capital survey data, which determines how much of a capital add on is added to the base rate, was based on the current rate of 2002. DCH will now be using survey data received for 2004 through 2006. Capital improvements made by hospitals in the last four or five years have been disregarded in the current payment methodology, which is another reason for updating.
- 2) **modify state plan-** related to both inpatient and outpatient hospital methodologies. This is basically a clean up and is budget neutral. We currently have references in the state plan to what are now defunct or obscure references/connections to Medicare from probably 10 or 20 years ago. References that have expired or no longer relevant will be taken out.

These changes will not affect the way DCH reimburse hospitals. Ms. Summers then asked members for their favorable consideration to post this public notice for comment. Dr. Parker MADE a MOTION to approve the Hospital Services Payment Rates Public Notice to be published for public comment and Vice-Chairman Mason SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Hospital Services Payment Rates Public Notice is hereto attached and made an official part of these Minutes as Attachment # 4).

Charemon Grant, General Counsel, began discussion on changes to State Health Benefit Plan Rules 111-4-1-.10. She explained that the Department is recommending via this rule change that members currently enrolled along with their dependents in the indemnity option during calendar year 2007 will be allowed to continue in that option. Any member not currently in that option for this plan year will not be able to enroll in the indemnity plan. Ms. Grant stated that those members who are in the indemnity option and desire to deselect and enroll in another option at a later time will not be allowed to re-enroll. Ms. Grant stated the rule change is in alignment with the Governor's initiative to streamline our plan for administrative efficiencies. She asked Nancy Goldstein, Director of the State Health Benefit Plan, if she would like to elaborate on the rule change.

Ms. Goldstein reiterated that the rule change is in alignment with the Governor's long term strategic vision (consolidation and streamline of our 17 benefit options). Ms. Goldstein stated as the Department tries to move toward more efficiency and focus on consumer driven health plans, it plans to reduce our HMO's from four to three and taking current pilot programs with consumer driven health plans and expanding those statewide.

Chairman Holmes asked if this is consistent with what is happening with the general market place. Ms. Goldstein responded positive and stated that companies are gradually moving away from the indemnity plan.

Mr. Jones asked if there is low participation percentage wise. Ms. Goldstein responded that it has been steadily declining. Over the past few years, 25,000 employees and retirees were enrolled and to date we currently have 5,000 enrolled.

General Counsel Grant asked members of the Board for favorable consideration for the initial adoption and thereafter post the rules for public comment. Dr. Parker MADE a MOTION to approve State Health Benefit Plan Rules 111-4-1-.10 to be published for public comment. Vice-Chairman Mason SECONDED the MOTION. Chairman Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the SHBP Rules 111-4-1-.10 is hereto attached and made an official part of these Minutes as Attachment # 5).

Iris McIlvaine, Public Information Account Manager, presented to the Board the Department's customer service plan. She explained the Governor's initiative calling for Georgia to be the best managed state in the United States. Although Georgia has a B+ average, the Governor feels Georgia can still improve. He called for agency heads to create a plan for 2007. In response to that, each agency head appointed customer service champions to create that plan.

Ms. McIlvaine stated the four overall objectives of the Governor's plan for this initiative. They are: treat customers with respect; look at customer interactions as opportunities rather than disruptions; focus on challenges rather than finding fault; and to make everything we do faster, friendlier and easier.

The DCH responded to this 2007 plan with three projects: addressed internal customer service (recognized good work and trained employees on customer service skills and challenges); collaborated with the Department of Human Resources in an effort to streamline the process of Medicaid eligibility (making notices regarding eligibility issues more understandable, posting the "Understanding Medicaid" pamphlet on DHR's and DCH's website), and enhanced the DCH website (improved website navigation, redesigned DCH webpage, uploaded a constituent satisfaction survey).

Ms. McIlvaine then spoke on how DCH measured their outcomes. As for as our internal customer survey, it was placed on the internet/intranet on a quarterly basis along with the Medicaid survey post card and the constituent satisfaction survey as well. The internal customer survey was the first one that established a base line and identified areas for improvement. Employees were surveyed each quarter and from last year to this year, employees thought that 73.8% of their colleagues were courteous, 60.2% responded that they were responsive and 79.8% responded that they were knowledgeable. The Medicaid eligibility survey post card will be distributed this year and will assess how easy it was to get service.

Mr. Oshnock asked what would be the benchmarks for those courteous responses or what do we expect. Ms. McIlvaine responded that DCH is hoping for a 10% improvement rate by the end of the year. Ms. McIlvaine referred members to their packets for the results of the internet survey.

Ms. McIlvaine outlined future DCH activities focusing on customer service. She stated that DCH is going to continue their customer service improvement effort, continue the DHR collaboration to include a member from the Governor's Council on Developmental Disabilities, improve faster and friendlier and easier services with the State Health Benefit Plan, and obtain customer input for the Health Information Technology and Transparency website.

She stated that DCH also plans to create a program of the office of customer service or the art of exceptional customer service training which would be mandatory for all staff. DCH will also develop a pilot training consortium with four other agencies (Georgia Technology Authority, Employee Retirement System, Georgia State Patrol and the Department of Community Affairs).

Mr. Oshnock asked where he would go as a provider or who would he contact to give his input on his satisfaction on the Medicaid program as it relates to a provider. Ms. McIlvaine directed him to the DCH website which has a section to complete the necessary requested information. Mr. Oshnock then asked what are the results of those internet surveys. Ms. McIlvaine reiterated the survey results mentioned earlier in her presentation. Mr. Oshnock asked if those results are broken down by provider, constituent, employees, etc. Ms. McIlvaine responded no. Mr. Oshnock asked if we could break it down by provider, constituent, etc. Ms. McIlvaine responded yes.

Ms. Gay asked if call-in surveys were in the plan. Ms. McIlvaine stated that DCH is going to be working with Georgia State to see if there are better ways the surveys can be done.

Mr. Jones asked what percentage of the customer encounter results in a response from DCH. Ms. McIlvaine stated that it is hard for us to determine that and that it will be looked into.

Chairman Holmes added that customer service is very important and needs to exist not only with front line employees but also starting at the highest level. He encouraged DCH to find ways to apply these practices to higher level management as well. Ms. Gay also added it is critical to have the information from providers as well. (A copy of the Customer Service Plans Presentation is hereto attached and made an official part of these Minutes as Attachment #6).

New Business

Mr. Holmes asked Secretary Oshnock to represent the Board at the next public hearing on July 24, 2007.

The next Board meeting is August 9, 2007.

Before the meeting adjourned, Mr. Oshnock asked if users (provider community, recipients/members, etc.) could provide feedback on the CMO implementation since it has been a year, whether it is in a board meeting or separate forum. Chairman Holmes asked Kim Gay and Kathy Driggers, Chief, Managed Care and Quality, to address Mr. Oshnock's request and present it as a part of their committee report at next month's meeting.

Adjournment

There being no further business to be brought before the Board, Chairman Holmes adjourned the meeting at 11:53 a.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE _____ DAY OF _____, 2007.

RICHARD L. HOLMES
Chairman

ATTEST TO:

MARK D. OSHNOCK
Secretary

Official Attachments:

- #1 List of Attendees
- #2 Agenda
- #3 PeachCare for Kids Public Notice
- #4 Hospital Services Payment Rates Public Notice
- #5 State Health Benefit Rules 111-4-1-.10
- #6 Customer Service Plans Presentation